



County of Los Angeles CHIEF EXECUTIVE OFFICE

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LOS ANGELES, CALIFORNIA 90012
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WILLIAM T FUJIOKA
Chief Executive Officer

April 15, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

PROPOSED AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE COVINA REVITALIZATION REDEVELOPMENT PROJECT NO. 2 (FIFTH DISTRICT) (3 VOTES)

SUBJECT

The Covina Redevelopment Agency ("Agency") proposes to eliminate the time limit on incurring debt for the Covina Revitalization Redevelopment Project No. 2 (the "Project"). The 1983 Tax Allocation Agreement requires prior County Board of Supervisors written approval of any amendment to the Agreement.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve a Resolution eliminating the current time limit on incurring debt for the Covina Revitalization Redevelopment Project No. 2 (the "Project") of the Covina Redevelopment Agency ("Agency").

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On November 1, 1983, the Agency adopted the Project, and amended the Project to add area in 1987. Eliminating the time limit on incurring debt will allow the Agency to issue debt to finance additional redevelopment activities including: a housing project near the Covina Metrolink Station, the Theater Lofts project, the Niemann Polis mixed use project, and the Citrus Valley Health Partners Hospital reconstruction and expansion project.

Implementation of Strategic Plan Goals

This action supports Goal 4, Fiscal Responsibility, of the County Strategic Plan to strengthen the County's fiscal capacity.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

FISCAL IMPACT/FINANCING

The 1983 Agreement includes the payment to the County of its full pass-through share of tax increment. The Project currently has very little existing debt, and this Office has verified the Agency's projections of future tax increment that indicate there will be adequate tax increment after the County pass-through and low- and moderate-income housing set-aside payments generated by the Project to service the Agency's debt until the end of the Project in 2036-37. In addition, it will be in the interest of the financial institution which issues the debt to ensure that there will be adequate revenues available to repay all of the Project's obligations. Therefore, the elimination of the current time limit on incurring debt will not have a negative fiscal impact on the County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Section 3 of the 1983 Agreement states that the Agency may not amend the Agreement "without prior written approval of the County Board of Supervisors." The attached resolution will act as your Board's prior written approval.

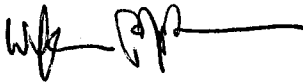
IMPACT ON CURRENT SERVICES

This amendment will not impact current County services.

CONCLUSION

At such time as the recommendation is approved by your Board, please return one copy of this letter and Resolution to the Chief Executive Office, Community and Municipal Services, and one copy of the letter and Resolution to the Auditor-Controller, Tax Division.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:LS
DSP:RTM:ib

Attachment

c: County Counsel
Auditor-Controller
Robert Neiuber, Community Development Director, City of Covina

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF LOS ANGELES**

Background

1. The 1983 Covina Revitalization Redevelopment Project No. 2 is subject to a November 1, 1983 "Agreement for Reimbursement of Tax Increment Funds" between the Covina Redevelopment Agency ("Agency"), the City of Covina ("City"), and the County of Los Angeles ("County"). The Agency's Project No. 2 was amended July 6, 1987 to add area, and is similarly subject to a September 1, 1987 Agreement for Reimbursement of Tax Increment Funds between the Agency, the City, the County, and the Los Angeles County Flood Control District.

2. Under the 1983 Agreement, it was agreed that neither the City nor the Agency would amend the redevelopment plan in any respect affecting tax increment generated in the Project Area without prior written approval of the Los Angeles County Board of Supervisors. Under the 1987 Agreement it was agreed that neither the City nor the Agency would amend the redevelopment plan, as described in Health and Safety Code Section 33354.6, without prior written approval of the Board of Supervisors.

3. The Agency desires to amend the Redevelopment Plan to eliminate the time limit on incurring debt as authorized by California Health & Safety Code Section 33333.6 (e)(2)(B).

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles that:

The Board of Supervisors approves the amendment of the Covina Revitalization Redevelopment Project No. 2, to eliminate the time limit on the establishment of loans, advances, and indebtedness, as authorized by California Health & Safety Code Section 33333.6(e)(2)(B). This Resolution shall not be construed as Board of Supervisors approval of any other amendment of the Redevelopment Plan.

The foregoing resolution was on the 15TH day of APRIL, 2008, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.




SACHI A. HAMAI
Executive Officer-Clerk of the
Board of Supervisors of the
County of Los Angeles

By  Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By 
THOMAS M. TYRRELL
Principal Deputy County Counsel

TMT:htb